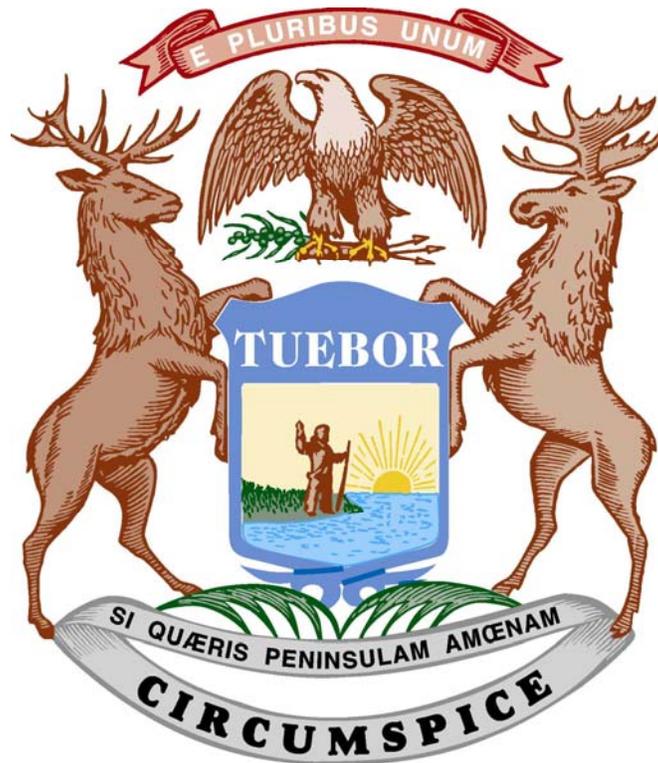


# New Jobs Training Programs 2010 Report



**Prepared by  
Office of Revenue and Tax Analysis  
Michigan Department of Treasury**

Scott Darragh prepared this report based on reports submitted by the participating community colleges.

This report is required by Section 366 of the Income Tax Act, and will be transmitted as required in Section 366 to the Governor, the Clerk of the House of Representatives, the Secretary of the Senate, the chairperson of the House Committee on Commerce, the chairperson of the Senate Committee on Economic Development, the chairperson of the House Appropriations Subcommittee on Energy, Labor, and Economic Growth, the chairperson of the Senate Appropriations Subcommittee on Licensing and Regulatory Affairs, and to the chairperson of the Michigan Strategic Fund.



**New Jobs Training Programs  
2010 Report  
June 2011**

Public Acts 359 and 360 of 2008 amended the Community College Act and the Income Tax Act, respectively, to allow a community college and an employer to enter into an agreement to provide training for new jobs and use the income tax withholding on the new jobs to pay for the costs of the training. Colleges and employers may enter into new agreements until December 31, 2018. A community college district may sell revenue bonds to finance training programs, in anticipation of the withholding payments due under an agreement with an employer. The aggregate outstanding obligation of all agreements entered into under the New Jobs Training Program shall not exceed \$50 million in any calendar year.

Public Act 360 of 2008 requires the Department of Treasury to produce a report each year on the operation and effectiveness of the new jobs training programs. The first agreements between community colleges and employers were executed during 2010 and some of those agreements were implemented with new employees undergoing the contracted training and employers beginning to divert state withholding tax to the community college to pay for training expenses. This report includes all of the agreements executed before the end of 2010, a total of ten agreements involving four community colleges. The number of agreements by community college is presented in Table 1.

The primary business code for each of the agreements is shown by college in Table 2. The agreements are numbered chronologically by the date of the agreement. By the end of 2010 a few employers had begun diverting withholding tax payments to offset the costs of training, with \$72,765.53 in total withholding used to offset training costs.

Table 3 shows the amount of revenue bonds issued by the community colleges and the amount of debt or training expenses incurred. As with the other measures of initial activity, the initial agreements with Grand Rapids Community College have been the most active. Table 4 presents the number of new employees who have been involved in the training programs so far. It is expected the total of new employees in training programs in 2011 will be significantly larger than the totals reported here for 2010.

**Table 1**  
**Community Colleges with Agreements under**  
**New Jobs Training Program**  
**As of December 31, 2010**

<u>Community College</u>	<u>Number of Agreements</u>
Grand Rapids Community College	6
Jackson Community College	2
Lansing Community College	1
Northwestern Michigan College	1

**Table 2**  
**Agreements under New Jobs Training Program**  
**By Business Code**  
**As of December 31, 2010**

<u>Community College</u>	<u>SIC Code</u>	<u>Industry</u>	<u>Agreement Amount</u>
Grand Rapids			
Agreement 1 *	398	Miscellaneous manufacturing	\$646,300
Agreement 2	254	Partitions, shelving, lockers, office and store fixtures	\$2,153,605
Agreement 3	349	Miscellaneous fabricated metal products	\$1,023,195
Agreement 4	631	Insurance	\$5,692,279
Agreement 7	371	Motor vehicle and equipment manufacturing	\$2,047,690
Agreement 8	345	Screw machine products	\$213,429
Jackson			
Agreement 5	289	Miscellaneous chemical products	\$70,249
Agreement 9	495	Sanitary services/Alt. energy	\$3,430,910
Lansing			
Agreement 6 **	371	Motor vehicle and equipment manufacturing	\$783,442
Northwestern Michigan			
Agreement 10	381	Engineering, laboratory, scientific and research instruments	\$80,500

\* Agreement terminated in March 2011

\*\* Agreement expanded in May 2011

**Table 3**  
**Revenue Bonds & Debt Issued by Community Colleges**  
**New Jobs Training Program**  
**As of December 31, 2010**

<u>College</u>	<u>Revenue Bonds Issued</u>	<u>Debt or Training Expenses Incurred</u>
Grand Rapids Community College	\$10,916,769	\$403,013
Jackson Community College	\$0	\$15,530
Lansing Community College	<u>\$250,000</u>	<u>\$59,627</u>
<b>Totals</b>	\$11,166,769	\$478,169

**Table 4**  
**Training Activity Completed**  
**New Jobs Training Program**  
**As of December 31, 2010**

	<u>Grand Rapids Community College</u>	<u>Jackson Community College</u>	<u>Lansing Community College</u>
Qualified individuals entering the contracted training during the calendar year	65	5	46
Number of courses completed	12	1	12
Individuals still enrolled in the contracted training at the end of the year	1	0	0
Number of degrees completed	0	0	0
Number of certifications completed	0	0	46
Number of apprenticeships completed	0	0	0